

**MICHELLE HOPING CHOW, TRUSTEE**

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March 24, 2005

Tim O'Neal  
United States Trustees  
300 Plaza Tower  
110 North College Avenue  
Tyler, TX 75703

Re: Karl Arthur and Martha Louise Drescher, Case #03-43143

Dear Tim:

This letter is to document the case administration of the Drescher case. I will explain the rationale for proceeding with administering assets and the reason for no return to unsecured creditors.

The debtors filed their Chapter 7 Voluntary Petition on July 7, 2003. There were two main assets that I considered in the administration of this case. One asset was a possible cause of action. This asset was ultimately abandoned since no one would take the case on a contingency basis.

The other asset was a retail nursery business that was operating until the eve of filing. Most importantly, the plants needed immediate attention and were located inside a greenhouse and on the property outside and exposed to the elements. There were also pesticides and fertilizers and assets in coolers. The estate had to immediately address several concerns: caring for the plants during the middle of summer in Texas, asset shrinkage from theft or vandalism, and potential environmental issues from the chemicals on site.

I made an initial visit to the business accompanied by my counsel, Mark Agee, and Kristen Wheaton of Rosen Systems, our auctioneer. We determined that the plants needed daily care and that the estate needed to auction the perishable plants and other assets as soon as possible. The initial estimate of gross proceeds from an auction was approximately \$20,000. On the schedules, the debtor listed the value of the plants and inventory at \$39,957.17. Given the secured claims on the debtors' schedules, I calculated a modest return to unsecured creditors based on projected auction proceeds of \$20,000.

It should also be noted that there was no lien on the plants and inventory, so there was no secured creditor to abandon to, nor was there anyone that would share the burden of the costs of securing the property or caring for the plants until the auction date.

It should also be noted that the trustee's legal fees were significantly reduced in order to have some return to any secured creditors. The actual legal fees were approximately \$6,500 and the fee application was for \$1,500.

Sincerely,

/s/Michelle H. Chow  
Michelle H. Chow, Trustee